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FOR UNDER SECRETARY FOR MANAGEMENT FORE M ALSO FOR DENNY OFFUTT NEA/EX FOR NED ALFORD AND MICHALENE KACZMAREK

E.O. 12958: DECL: 01/02/2016

TAGS: PREL AMGT PGOV ASEC CMGT OA

SUBJECT: SCENESETTER FOR UNDER SECRETARY FORE'S JANUARY
17-19 VISIT TO DOHA

Derived from: DSCG 05-1, B,D.

¶1. (C) Embassy Doha is pleased to welcome you to Qatar. The Government of Qatar remains a key ally of the U.S. in the war on terror and supports a significant U.S. military presence in the country. Qatar's Amir, Sheikh Hamad bin Khalifa Al Thani, took power from his father in 1995 and embarked on a program of political reform and economic development. Sheikha Mozah bint Nasser al-Missnad, his consort, has made equally important strides in leading social change. Qatar's relations with Iran are outwardly cordial but like other Arab Gulf states, Qatar is concerned about the activities of its large neighbor across the waters and by the proximity of the site for the nuclear power plant at Bushehr. Qatar's economy is growing at a record pace thanks to both oil and gas production. End Summary.

U.S.-QATARI MILITARY RELATIONS

12. (S) Bilateral military relations between the U.S. and Qatar are excellent and the GOQ continues to demonstrate unwavering support for U.S. military operations. Currently Qatar hosts approximately 8,000 U.S. forces based at Camp al-Sayliyah and al-Udeid Air Base. Some 100 U.S. and Coalition fighter and support aircraft operate from al-Udeid and represent the largest Air Expeditionary Wing in the CENTCOM AOR. Qatar also hosts both the USCENTCOM Forward Headquarters and the Combined Air Operations Center for theater-wide command and control. Al-Udeid Air Base itself continues to undergo a surge of both GOQ and U.S. funded construction to support U.S. operational and logistical requirements.

REGIONAL FOREIGN POLICIES

¶3. (C) Qatar has adopted an increasingly assertive foreign policy. Its relationship with Saudi Arabia is strained as a result of anti-Saud programming on Al-Jazeera and a history of border issues, but primarily Qatar strives to emerge from the Kingdom's "sphere of influence" in the Gulf. The result is often policies that antagonize Riyadh. Qatar's effort to mediate between Fatah and Hamas on a Palestinian unity government, its continued relationship with Syrian president Bashar al-Asad, Hamas leader (and PA Prime Minister) Ismail Haniyah, and others, as well as Qatar's efforts to involve itself in the August 2006 ceasefire between Israel and Lebanon, has annoyed many regional governments - and often the U.S.

- 14. (C) Qatari regional diplomacy seeks to keep lines open to all neighbors, of which Iran is the largest. Qatar has played the Iran issue this way since the beginning of 2006, with the Amir meeting the Iranian president in Tehran May 2. There have been other senior-level bilateral visits. The policy resulted in Qatar's 14 to 1 consensus-breaking UN Security Council vote on Resolution 1696 in July. Qatar made amends (of sorts) when it joined consensus on Resolution 1736 in December. Nevertheless, Qatar is uncomfortable with having to say or do anything publicly that might be seen as antagonizing Iran. The two countries share the North Field (South Pars to the Iranians), the largest non-associated gas field in the world and the source of much of Qatar's future prosperity.
- 15. (C) In private, Qatari officials are concerned about the role of Iran in the region and about its nuclear weapons ambitions and agree with our analysis of Iran's revolutionary motivations and goals. They note Iran's active support for subversive elements in Bahrain, Kuwait, Yemen, and eastern Saudi Arabia, as well as Iraq. But Qatari officials believe that Iran's nuclear program is nearly unstoppable. Qatar is likely to continue trying to balance its U.S. military cooperation its ultimate strategic defense with diplomatic efforts that seek to avoid antagonizing Iran.

IRAQ

 $\underline{\P}6.$ (S) Qatar has been a pillar of support for our efforts in DOHA 00000011 002 OF 003

Iraq and Afghanistan. We continue to fly unimpeded combat missions out of al-Udeid Air Base. The Amir shares our view that restoration of order and a successful democratic transition are of paramount importance not only to Iraq but to the region. However, there is some feeling that Qatar's efforts over the past three years are not fully appreciated in Washington and this may drive Qatar's resistance to follow through on some of our priorities for Iraq, including comprehensive debt forgiveness. While the Foreign Minister has expressed concerns about civil war in Iraq, he has stated publicly that the coalition needs to stay in the country to establish wider security. The GOQ also points to the importance of establishing a power structure in Baghdad that is fully inclusive of the Sunni bloc. The GOQ is not prepared to open an embassy in Baghdad until the security situation improves dramatically.

UN SECURITY COUNCIL

17. (C) The Qataris are halfway through their term on the UN Security Council. They have not always behaved responsibly. Under Foreign Minister Hamad bin Jassim Al-Thani, Qatar has staked out an independent path on Iran and Syria, which has had troublesome consequences on the Council. Qatar sees itself as holding the Arab/Muslim "seat," and it sometimes gives interests of this region a priority over global security issues. On Iran's nuclear program, we have described how building and maintaining an international consensus is vital. They have unfortunately also voted against our wishes (and often against the broad international consensus) on other issues, including Sudan and Burma.

Qatari Media and Al Jazeera

 $\underline{\ }$ 8. (U) The Qatari constitution, which came into force in 2005, states that "Freedom of expression and scientific

research is assured according to the conditions and circumstances to be stipulated by the law." Also Article 48 stated, "Press freedom, printing and publishing is assured in accordance with the law."

- 19. (U) Since the lifting of the Qatari censorship law in October 1995 and the concurrent discontinuation of government subsidies, there has been little direct censorship of the media. Only sexually explicit materials or certain religious tracts are censored on a regular basis. Self-censorship is still the norm, however, and it is understood that criticism of the Amir, the ruling family, and Islam will not be tolerated.
- 110. (C) Though their coverage of Qatar itself is minimal, Al Jazeera is by far Qatar's most prominent media outlet and the bane of many governments in the region. With an Arabic-speaking audience of around 50 million viewers, Al Jazeera is now ten years old. In November it launched an English-language edition and has ambitions to compete with the major U.S. and British satellite networks worldwide.
- 111. (U) Since early last year, the USG has seen a bumpy downward trend in inflammatory anti-Western bias and inaccuracy in al- Jazeera's content. Al-Jazeera has increased its use of U.S. government sources, limited its use of inflammatory terminology, and devoted more time to stories of interest in the region other than the U.S. role in Iraq. However, al-Jazeera's track record remains far from acceptable. Unprofessional, biased, and inaccurate propaganda continues to appear on its newscasts, talk shows, and website. The USG also views with concern Al Jazeera's practice of airing terrorist-provided video tapes.

POLITICAL REFORM

112. (U) Qatar's own program of reform, launched by the Amir after he assumed power in 1995, could take a significant step forward this year if the government holds first-time elections for its national legislature. Qatar has gone slow, seeking to establish an institution that reflects local social and political norms. The current sticking points are who will be able to vote (a fraction of Qatar's 186,000 citizens) and who may stand for office. Qatari women will have the right to vote and will be encouraged by the government to run. Elections for the country's third

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municipal council have already been scheduled for April, 12007. One woman was elected to the council in 2003.

ECONOMY

- 113. (U) At USD 61,540, Qatar's per capita income is ranked fifth in the world and ahead of the U.S. The country's vast wealth has resulted from the successful development of its natural gas resources over the past 10 years with plans for even greater expansion over the next decade. Qatar Petroleum is maximizing use of Qatar's natural resources to diversify the economy and provide business and employment opportunities to Qataris. Qatar is extremely friendly to U.S. energy companies: Since 1999, there has been USD 60 billion in foreign investment in Qatar's energy sector with the majority about USD 40 billion coming from the U.S. firms, including Exxon Mobil, Chevron, Anadarko, and Occidental. Qatar plans to invest USD 70 billion in the natural gas sector over the next seven years.
- 114. (U) The GOQ estimates Qatar's oil reserves are at 27 billion barrels. Qatar's daily average production is currently estimated to be 806,000 barrels per day; at current production rates, oil reserves are expected to last 20 to 60

years, depending on estimates. Qatar's goal is to increase overall production capacity to over one million bpd by 2006. Occidental and Anadarko are the two U.S. companies operating in this sector.

115. (U) The majority of Qatar's current energy development is focused on natural gas. Qatar's North Field contains 15.3% of world natural gas reserves, third behind Russia and Iran. It is the largest non-associated gas field in the world, and is expected to support planned production for over 200 years.

TRADE AND INVESTMENT

116. (U) Qatar signed a Trade and Investment Framework agreement with the U.S. in March 2004, but progress toward a Free Trade Agreement is moving slowly at best. Achieving a FTA will require Qatar to remove such obstacles as mandatory majority Qatari ownership of most businesses, the government telecom monopoly, restrictions on foreign investment in the financial services sector, labor issues, and transparency in government procurement.

Education City

- 117. (U) Education City is located on a 2500-acre campus on the outskirts of Doha. It is managed by Qatar Foundation, the umbrella organization chaired by Sheikha Mozah, the Amir's consort. Education City is home to five U.S. college branch campuses, with some 800 students currently enrolled. The majority (roughly 60%) are Qatari; others come from around the region and some from further beyond, including Bosnia and the US. About two-thirds of the students are women, since the Education City campuses allow them to live at home with their families.
- 118. (U) Five U.S. branch campuses are currently represented at Education City: Virginia Commonwealth University (fashion design, interior design, graphic design); Weill Cornell Medical College (medicine); Carnegie-Mellon University (business, computer science); Texas A&M University (engineering); and Georgetown University's School of Foreign Service.
- 119. (U) The Foundation is currently recruiting a school of communications (journalism), with five U.S. universities on the short list: The University of Missouri, the University of Florida, Boston University, Northwestern, and the University of Indiana. Options for the future include a graduate school in business; a law school (Cambridge University); an Islamic Research Center; and possibly the Kennedy School of Government at Harvard to teach public administration. Sheikha Mozah has also asked for a branch campus of the U.S. Military Academy at West Point to improve the professionalism of Arab military officers and to teach them how to operate under civilian control in a democracy.